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FINANCING OF THE UNITED NATIONS PEACE-KEEPING FORCE IN CYPRUS

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the Secretary-General's report (A/49/590/Add.1) on the financing of the United Nations Peace-keeping Force in Cyprus (UNFICYP). During its consideration of the report, the Committee met with representatives of the Secretary-General.

2. In its report of 14 December 1994 (A/49/781), the Advisory Committee, while recommending an appropriation in the amount of $43,472,300 gross ($43,059,000 net) for the period from 1 July 1995 to 30 June 1996 for the maintenance of UNFICYP, had requested that a financial performance report for the period from 16 June to 31 December 1994 be submitted to the Committee for review by April 1995. It was the Advisory Committee's intention that, on the basis of the review, it would recommend changes to the level of appropriations, if necessary. The General Assembly, in its resolution 49/230, endorsed the observations and recommendations of the Advisory Committee and also requested the Secretary-General to submit, through the Advisory Committee, a financial performance report for the period from 16 June to 31 December 1994.

3. It should be mentioned here that, although the Secretary-General's report (A/49/590) was prepared in October 1994, it contained an initial financial performance report for the period ending 31 December 1994. Based on the information contained in that initial performance report, which reflected an unencumbered balance of $249,900 gross ($190,900 net), the General Assembly, in its resolution 49/230, decided that the unencumbered balance of $249,900 gross ($190,900 net) be set off against the apportionment of Member States.

4. The Advisory Committee was informed that, although the actual expenditure was higher than that estimated in the initial performance report, having credited the unencumbered balance to Member States as decided by General

Assembly resolution 49/230, the Secretariat was forced to roll over the additional requirements to the current period. The Advisory Committee was informed that those additional requirements amounted to $181,500 and comprised three specific items as follows: death and disability ($100,000), common staff costs ($62,200) and purchase of vehicles (($19,300). Therefore, had the performance report been prepared in early 1995 instead of in October 1994, the unencumbered balance would have amounted to $68,400 gross rather than $249,900 gross.

5. The updated performance report now submitted in document A/49/590/Add.1 also shows an unencumbered balance of $249,900 gross ($190,900 net). However as can be noted from annex I to document A/49/590/Add.1, the pattern of actual expenditure varies from that reflected in annex III to document A/49/590. Overexpenditures in areas such as rental of vehicles, hire/charter costs for helicopters, communications and contractual and other services have been offset by savings in other areas, while other requirements have been suppressed or carried over into the following financial period. In order to avoid such distortions, the Advisory Committee recommends that, in future, financial performance reports for any given period should be submitted after the conclusion of that period. The Advisory Committee does not recommend any change in the level of appropriations for UNFICYP at the present time.